

SBA News and Views is a monthly publication of the SBA Wisconsin District Office. Its purpose is to provide Wisconsin lenders and small business leaders with up-to-date information on SBA programs and small business issues. It is distributed at no cost, and the reprinting of articles is encouraged

Serving America's Small Businesses

U.S. Small Business Administration Wisconsin District Office

Eric Ness, District Director
October 2006

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SBA Home Page
<http://www.sba.gov>

Wisconsin SBA Home Page
<http://www.sba.gov/wi>

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SBA Administrator Preston Visits Wisconsin

On October 3, 2006, SBA Administrator Steven C. Preston visited Milwaukee and participated in numerous events.

Early morning found Administrator Preston, along with Congressman Paul Ryan and SBA personnel, at the Wisconsin Women's Business Initiative Corporation (WWBIC) where he announced funding for a new Women's Business Center (WBC) through WWBIC. The Center will be located in the Racine/Kenosha area. Stay tuned for announcement of the exact location of the new WBC.



**L-R SBA Administrator Preston,
President of WWBIC Wendy Baumann
and Congressman Paul Ryan**

After the WWBIC event, the Administrator moved on to the launching of a new Urban Entrepreneur Partnership (UEP) Center. In February 2006, President Bush announced his

selection of Milwaukee as the sixth city in its Urban Entrepreneur Partnership program.

Under the new initiative, the Bush Administration together with private sector, non-profit, and community and faith-based organizations will focus talent, expertise, and other resources toward facilitating economic growth and enterprise in historically neglected areas. This initiative -- from basic financial literacy through management counseling -- will cover the spectrum of needs, including instruction, mentoring, business coaching, finance, and contract negotiation.

The Urban Entrepreneur Center will be located at the Milwaukee Urban League.

From the UEP event, Administrator Preston popped into the Milwaukee SBA office to meet and greet SBA personnel where he enjoyed a bit of hometown hospitality with, what else, brats and sauerkraut.

After the brief visit with SBA personnel, Administrator Preston moved on to a roundtable discussion with approximately 30 small business owners where he listened to their needs and discussed local and national issues relative to small business.



Administrator Preston along with Wisconsin District Director Eric Ness (on Administrator's left holding notes) and some of small business owners attending roundtable

Administrator Preston said he thoroughly enjoyed his trip to Wisconsin and looks forward to when he can visit again. The Administrator is originally from Janesville with family still located in the area.

It was a rare treat for SBA employees to meet the Administrator and share a bit of *gemutlichkeit* (German for cordial regard) Wisconsin style!

Small Businesses Receive More Than 100,000 SBA –Backed Loans in FY 2006

Small businesses turned to the U.S. Small Business Administration for commercial financing in record numbers in fiscal year 2006, setting records for both the number of loans and the dollars loaned, SBA Administrator Steven C. Preston said.

The SBA backed a net 100,197 loans totaling \$19.1 billion under its two primary small business loan programs during the 12 months ending on September 30. Both the number of loans and the dollar amount is a single-year record for the agency. The previous records were set last year, when SBA

provided a net 94,554 loans worth \$18.1 billion under the same two programs.

In Wisconsin, SBA backed 2,128 loans totaling \$415 million in the Agency's 7(a) and 504 loan programs.

Wisconsin SBA District Director, Eric Ness expresses his thanks to all the lenders for their continued commitment and hard work in making small businesses in Wisconsin a success and looks forward to working with all our lending partners in FY 2007.

SBA Launches New Markets Lending Initiative

Program is Aimed at Increasing Ownership in Inner Cities and Rural Areas

The U.S. Small Business Administration has launched a pilot program to provide financial assistance to small businesses in economically distressed urban and rural areas, or "New Markets," that need the economic attention to get communities back on their feet. The initiative provides incentives for commercial lenders and local development organizations to make more SBA-guaranteed loans in these communities.

The New Markets Lending Initiative will help small businesses by enabling Community Development Entities (CDEs) to combine the benefits of both the New Markets Tax Credit (NMTC) Program and SBA-guaranteed loans to provide inner-city and rural small business owners and entrepreneurs greater access to financing and business training.

"We at the SBA are committed to helping American small businesses in economically distressed areas," said SBA Administrator Steven C. Preston. "We believe that this initiative can encourage jobs creation and growth in low income areas, an essential part of the President's economic agenda."

Administered by the Treasury Department's Community Development Financial Institutions Fund, the New Markets Tax Credit Program permits investors to receive credits on their federal taxes of up to 39 percent of investments made in investment institutions called Community Development Entities.

The SBA pilot program, which is only available to 7(a) lenders making new loans through advance-purchase commitments with CDEs, waives a regulation that limits an SBA lender's ability to sell any portion of an SBA guaranteed loan to anyone other than another SBA lender. The waiver allows CDEs with New Markets Tax Credit allocations to purchase up to 90 percent of SBAExpress or Community Express 7(a) loans up to \$150,000 made to NMTC "qualified" businesses in low-income communities. These new loans are guaranteed by the SBA.

The New Markets Tax Credit Program is expected to spur approximately \$16 billion in investments into CDE Investment institutions. It was created by Congress through the Community Renewal Tax Relief Act of 2000.

By leveraging the SBA's resources with the Treasury's NMTC

program, this new initiative will provide additional access to loans and technical assistance to both start-up and existing firms in New Markets. Under the program, Community Express lenders will assist CDEs to provide small business borrowers with a package of services including mentoring, coaching and counseling.

Changes to 504 and 7(a) On-Going Fee

Effective October 1, 2006

Each year, SBA reviews the fees payable to SBA by certified development companies (CDCs) and 7(a) participating lenders (Lenders) as well as the borrowers to determine if they are sufficient to cover the estimated costs of the 504 and 7(a) loan programs. The purpose of this notice is to announce the revised ongoing fees for both programs for loans approved during FY 2007. These fees are imposed under Section 503(b)(7) of the Small Business Investment Act and Section 7(a)(23) of the Small Business Act, respectively. These ongoing fees, plus the other fees paid to SBA, will keep each of these lending programs at a zero subsidy rate. At this time, there are no changes to any of the other fees payable to SBA in either the 504 or 7(a) programs.

504 Loan Program

For 504 loans approved on or after October 1, 2006, the “ongoing guarantee fee” paid by borrowers to SBA will be 0.018 percent (1.8 basis points) of the outstanding balance of the 504 loan.

7(a) Loan Program

For 7(a) loans approved on or after October 1, 2006, the “yearly fee” due from participants to SBA will be 0.55 percent of the guaranteed portion of the outstanding balance on the 7(a) loan. In the 7(a) Authorization Wizard this is referred to as the “ongoing service fee.”

Instructions to Manually Change the 504 and 7(a) Authorization

To change the default fee in the 504 authorization, change the “ongoing guarantee fee” from 0.192 to 0.018 percent. Then click the “Default” button located in the same section. The new value will then be set on that computer for all future 504 loan authorizations.

When using the current 7(a) Authorization Wizard, change the “ongoing service fee” from 0.545 to 0.55 percent. This will change the fee only for the specific authorization being written. The 0.55 value **will not** be set as a default for future 7(a) authorizations. The Wizard will revert to the 0.545 value when again used to create a new authorization, so the change must be made manually for each 7(a) loan until the 7(a) Authorization Wizard is updated. Future versions of the 7(a) authorization will enable a one-time default setting.

Questions

CDC’s and Lenders with questions, should forward those questions to the local SBA offices.

Business.gov Helps Businesses Meet Federal Compliance Requirements

A newly launched federal government Web site, Business.gov, provides business owners with a one-stop resource that searches the federal government agencies that regulate or serve businesses for compliance information or resources.

The Web site makes it easier to find information on taxes, immigration laws, workplace safety, environmental requirements and other regulations that can present challenges for small and mid-sized businesses.

“The Business Gateway Initiative through Business.gov is an important part of the President’s vision of helping American businesses by providing a one-stop portal for federal resources,” said Office of Management and Budget (OMB) E-Gov Administrator Karen Evans. “Business.gov is the Official Business Link to the U.S. Government and is a continuation of agencies working together to improve services to citizens and businesses through technology.”

“The end goal of Business.gov is to cut through the red tape and make it easier for businesses to do business,” said SBA Administrator Steven C. Preston. “This Web site will help streamline access to information and reduce federal compliance barriers to helping businesses save time and money.”

Business.gov will direct businesses to the best sources, reduce

compliance barriers and help avoid costly mistakes, allowing them to continue to contribute to the American economy and their communities. Business.gov is managed by the U.S. Small Business Administration (SBA) in a partnership with 21 other federal agencies and is part of the President's Management Agenda.

Small firms with fewer than 500 employees represent 99.7% of all businesses. These firms spend 45% more per employee than larger companies to comply with federal regulations including taxes and environmental requirements, according to the SBA. Originally launched in 2004, Business.gov initially provided information on starting, growing and managing a small business. The new compliance focus is designed to better meet the needs of the business community.

The SBA Small Business Online Training Network

Now is the time to log on to SBA's Small Business Training Network, which is expanding its inventory of online courses in 2006 to meet the ever-changing needs of small businesses across the country.

"Entrepreneurs will discover that state-of-the art training is available 24/7, from their home, business, or wherever they have Internet accessibility." Said Cheryl A. Mills, SBA Associate Deputy Administrator for Entrepreneurial Development. The SBTN, www.sba.gov/services/training/index.html is a virtual campus housing training courses, workshops, publications, information

resources, learning tools and direct access to electronic counseling and other forms of technical assistance designed to assist entrepreneurs and other students of enterprise. The dynamic learning center is designed to help small business compete in a constantly changing, global environment.

Mills said the SBTN would feature new courses this year with a greater emphasis on helping existing small business grow. A number of the new featured courses will be developed by the Small Business Development Center program. SBTN will continue to offer more than 40 courses designed to help new businesses get started. Training is also available on hot topics such as cyber security and E-commerce.

"The most popular course offered is *Entrepreneurship: Starting and Managing Your Own Business*", said Mills. "The added benefit of training can make all the difference to the success of a small business." Why Wait? Log on today!

Editor's Notes

TRAINING CALENDAR

Be sure to visit <http://app1.sba.gov/calendar/states/calendar.cfm?op=group&grp=73> for business training opportunities offered by SBA, SCORE, Small Business Development Centers, Women Business Centers, Procurement Assistance Centers and the Wisconsin Procurement Institute.

This site will become your first stop when looking for training sessions, conferences, and seminars at the federal level but will also include state, local and private activities when they pertain to small business improvement.

Lender Year-End FY 2006 Loan Totals

We have not added the Lender Year-End totals to the September Newsletter.

If you wish to have a copy of the Lenders Year-End Totals, please contact Cindy Merrigan at (608) 441-5560 or email her at cindy.merrigan@sba.gov

The list will also be available online at www.sba.gov/wi under *Spotlight*.

A HAPPY
NEW YEAR

**Fiscal Year
2007**

SBA September 2006 Lenders

Amcore Bank NA

Rockford, IL – 2 Loans for \$900,000

American Enterprise Bank

Buffalo Grove, IL
1 Loan for \$1,206,700

Associated Bank

Green Bay – 57 Loans for \$7,116,600

Baylake Bank

Sturgeon Bay – 1 Loan for \$400,000

Capital One Federal Savings Bank

McLean, VA – 9 Loans for \$330,000

Charter Bank Eau Claire

Eau Claire – 1 Loan for \$75,800

CIT Small Business Lending Corp.

Livingston, NJ
2 Loans for \$416,300

Citizens State Bank

Hudson – 1 Loan for \$50,000

Community Bank & Trust

Sheboygan – 11 Loans for \$2,252,000

Community First CU

Appleton – 6 Loans for \$251,000

Cornerstone Community Bank

Grafton – 2 Loans for \$165,000

DMB Community Bank

DeForest – 1 Loan for \$229,000

Evergreen State Bank

Stoughton – 1 Loan for \$75,000

Farmers & Merchants Bank & Trust Co.

Hannibal, MO – 2 Loans for \$146,600

Farmers Savings Bank

Mt. Horeb – 1 Loan for \$540,000

First Bank Financial Centre

Oconomowoc
2 Loans for \$886,300

First National Bank-Berlin

Berlin – 1 Loan for \$350,000

Fox Communities Credit Union

Appleton – 1 Loan for \$95,000

Hometown Bank

Saint Cloud – 1 Loan for \$407,000

Horicon Bank

Horicon – 1 Loan for \$130,000

JPMorgan Chase Bank NA

Houston, TX – 4 Loans for \$175,400

Layton State Bank

New Berlin – 1 Loan for \$110,000

Legacy Bank

Milwaukee – 2 Loans for \$220,000

M&I Marshall & Ilsley Bank

Milwaukee – 8 Loans for \$1,044,900

Nicolet National Bank

Green Bay – 2 Loans for \$42,000

Park Bank

Holmen -2 Loans for \$439,500
Brookfield – 3 Loans for \$318,000

Total: 5 Loans for \$757,500**Peoples State Bank**

Wausau – 2 Loans for \$325,000

Port Washington State Bank

Port Washington
1 Loan for \$210,000

River Valley State Bank

Wausau – 1 Loan for \$74,600

Royal Oaks Bank, SSB

Houston, TX – 1 Loan for \$185,000

S & C Bank

New Richmond – 1 Loan for \$26,500

State Bank of Chilton

Chilton – 1 Loan for \$619,000

State Bank of Cross Plains

Waunakee – 1 Loan for \$229,000

The Business Bank

Minnetonka, MN
1 Loan for \$20,000

The Park Bank

Madison – 3 Loans for \$304,000

The Peoples Community Bank

Mazomanie – 1 Loan for \$200,000

TSB Bank

Lomira – 1 Loan for \$100,000

Twin Cities-Metro Cert. Devel.

Shoreview, MN
1 Loan for \$110,000

US Bank NA

Cincinnati, OH
20 Loans for \$905,500

Waukesha State Bank

2 Loans for \$679,000

Wells Fargo Bank NA

Minneapolis, MN
1 Loan for \$239,000
San Jose, CA
13 Loans for \$2,801,500
Total: 14 Loans for \$3,040,500

WESTconsin Credit Union

Hudson – 1 Loan for \$700,000

Wisconsin Business Development Finance Corp.

Monona – 22 Loans for \$14,182,000

Wisconsin Community Bank

Sheboygan – 1 Loan for \$60,000

SBA September 2006 Microlenders

Advocap, Inc.

2 Loans for \$12,200

Northeast Entrepreneur Fund, Inc. - 1 Loan for \$4,000

Wisconsin Women's Business Initiative Corp. - 2 Loans for \$29,522